

**Members**

Rep. Scott Reske, Chairperson  
Rep. David Orentlicher  
Rep. Michael Ripley  
Rep. David Frizzell  
Sen. Patricia Miller, Vice-Chairperson  
Sen. Gary Dillon  
Sen. Vi Simpson  
Sen. Timothy Lanane



# **INTERIM COMMITTEE TO DEFINE HEALTH INSURANCE**

**LSA Staff:**

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**Authority: P. L. 173-2007 (HE 1452-2007)**

## **MEETING MINUTES<sup>1</sup>**

**Meeting Date:** September 18, 2007  
**Meeting Time:** 10:00 A.M.  
**Meeting Place:** State House, 200 W. Washington St., House Chambers  
**Meeting City:** Indianapolis, Indiana  
**Meeting Number:** 1

**Members Present:** Rep. Scott Reske, Chairperson; Rep. Michael Ripley; Sen. Gary Dillon.

**Members Absent:** Rep. David Orentlicher; Rep. David Frizzell; Sen. Patricia Miller, Vice-Chairperson; Sen. Vi Simpson; Sen. Timothy Lanane.

Representative Reske, Chairperson, called the first meeting of the Interim Committee to Define Health Insurance ("Committee") to order at approximately 10:10 AM. Representative Reske indicated that Commissioner Atterholt and Ms. Carol Cutter from the Department of Insurance("Department") were at the meeting to speak about their request for a bill draft concerning the definition of "health insurance."

Commissioner Atterholt introduced Ms. Cutter and stated that she had been helpful in eliminating the backlog of the many forms and rate information that were sent for approval to the Department.

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<sup>1</sup> Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.in.gov/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

Ms. Cutter provided two handouts<sup>2</sup> concerning the Department's requested additions and changes to IC 27-8. She indicated that the Department would like to have a better standard of consistency that is less confusing for consumers and easier for the policy analysts at the Department. She testified that the language in IC 27 is antiquated, which makes it difficult for the Department's analysts to enforce. Ms. Cutter indicated that the Department would like to establish subsets for "accident and sickness insurance policy." She suggested defining health benefit plan, health carrier, and health care services and noted which statutes in the Indiana Code should be amended. She indicated the changes should apply to mandated benefits. She also noted that legislation had passed during the 2007 session to provide a standard list of policies exempted from certain mandates and that she is concerned that some policies may still be included in the mandated requirements, but that is unknown at this time. She provided an example that policies such as a specified disease policy would have to provide maternity benefits under current law. In addition, she stated that these changes would provide a roadmap for future mandates and these additions and changes would bring Indiana in line with NAIC model act language.

Representative Ripley asked Ms. Ann Naughton, Indiana Legislative Services Agency staff attorney, to provide information about the Department's recommendations. Ms. Naughton stated that she would be happy to draft a bill to resolve a problem that the Department has. However, Ms. Naughton noted that because of the language under current law a specified disease policy would not have to provide maternity benefits. Ms. Naughton quoted the language in the statute that "every policy or group contract that provides maternity benefits must provide minimum benefits . . . ." Ms. Naughton stated that she was concerned that the problem had not been pinpointed and that the recommendation may not solve the problem and could have a bigger impact. Ms. Naughton provided a handout<sup>3</sup> with the applicable statutes the Department requested to be amended.

Ms. Cutter agreed that she had provided a bad example and that a specified disease policy would not have to provide maternity benefits under current law. Senator Dillon asked Ms. Cutter to provide another example. Ms. Cutter indicated that she did not have a new example at the time as the exempt list language had just passed last year, and she did not know what new language may surface. Representative Ripley asked Ms. Cutter if the recommended language was premature. Ms. Cutter indicated that it would be helpful to have some definition of health insurance. In response to a question from Ms. Naughton concerning the inclusion of health maintenance organizations in the suggested language, Ms. Cutter said that the Department's intent is to change the law applying to accident and sickness insurers and not the law applying to health maintenance organizations.

Mr. Dan Seitz stated that the current statute language was drafted in 1953 and a recodification of IC 27 was needed at some point. He indicated that there would still be problems with the recommended changes without a list of exemptions. He suggested changes be done in pieces.

There being no further business to conduct, Representative Reske adjourned the meeting at 10:50 AM.

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<sup>2</sup> Exhibit 1 and 2

<sup>3</sup> Exhibit 3